

Testimony
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Before the Senate Small Business & Entrepreneurship
and Indian Affairs Committees

*Small Business Development in Native American Communities: Is the
Federal Government Meeting its Obligations?*

Good morning Chairman Kerry and Chairman Inouye, Senators Bond and Campbell, and distinguished members of both committees. Thank you for convening this joint hearing to discuss the extremely important issue of Native American economic development. Administrator Barreto apologizes for being unable to attend. He is attending the annual conference for the National Center for American Indian Enterprise Development as the honored guest and featured speaker.

In light of this, the Administrator asked that I speak on his behalf and, on behalf of the U.S. Small Business Administration (SBA). I am honored and delighted to have this opportunity. I would also like to request that the Committee include my full written testimony in the record.

The SBA is dedicated to ensuring that all Native Americans who seek to create, develop, and expand small businesses have full access to the necessary business development and expansion tools available through all of our Agency programs. As you know, the President's Fiscal Year 2003 Budget for the SBA contains a \$1 million request for our expanded Native American Economic Development Program. This program is designed to recognize cultural needs and aid in small business job creation. Furthermore, it is intended to compliment the existing economic development activity of tribes and those tribal organizations seeking to improve the economic well being of their communities by adding a critical small business component.

The 2003 initiative is an expansion of the current SBA Native American program. The current SBA technical assistance program, Tribal Business Information Centers Program (or TBICs) operates in only six states. It is an objective of the expanded program to increase the geographic diversity of SBA assistance. It will expand our scope nationally, thereby enabling us to have a greater impact on more Native American businesses.

The intended grantees include tribes and tribal organizations that presently have multi-faceted economic development programs and, can present a well-defined plan for increasing small business development in Native American communities. Interested and

qualified parties will apply for the grants. The current TBICs will, of course, be eligible and encouraged to apply for the grants as well.

In our continued efforts to create an essential foundation for economic growth and stability in the Native American community, the SBA is also in the final stages of selecting our National Director for Native American Outreach. The National Director will direct and coordinate an Agency-wide program designed to promote, expand, and enhance small business opportunities and services for all Native Americans. We expect to fill this position as soon as possible.

We have worked with Native American organizations in the search for the SBA's National Director of Native American Outreach. Through our communication with the TBICs and other Native American organizations, we have discovered that it is necessary to maintain a level of flexibility in the newly expanded program. The flexibility will enable the National Director, experienced in Native American issues, to customize the economic development program ensuring that both need and demand are met through many of our existing services.

The SBA currently provides technical assistance for the start up and growth of small businesses. We recognize that businesses need other key ingredients. They are access to capital, business opportunities and access to information, training and technical assistance. SBA delivers access to capital and opportunity through our Microloan Program, HUBZone Contracting Program, 8(a) Business Development Program, and the 7(a) and 504 Loan Programs. The counseling, training, and technical assistance programs include the Small Business Development Centers, SCORE, Women Business Centers and the Business Information Centers.

These programs are available to everyone, including Native Americans. Through these programs we have served over 1.4 million aspiring or existing small business owners annually. Nevertheless, we need to constantly strive to reach all segments of the 25 million American small businesses. Part of this effort is our objective to expand our services to all Native Americans. The newly expanded initiative will complement our existing programs and aid our outreach to this traditionally under served segment.

Again, thank you Chairman Kerry, Chairman Inouye and, distinguished members of the committees for providing me with the opportunity to share the Administrator's vision for SBA Native American Economic Development. I am certain that we all agree there is a definite need for additional economic development services within the Native American community. The appointment of a National Director for Native American Outreach and the Fiscal Year 2003 Native American Economic Development Program are essential steps for further economic development. I firmly believe that this SBA vision will succeed in providing the appropriate tools to promote self-sufficiency and job creation in our Native American community. I look forward to working with you to achieve this goal and I am happy to answer any of your questions.